

AMENDED IN ASSEMBLY JUNE 9, 2014

AMENDED IN ASSEMBLY AUGUST 6, 2013

AMENDED IN ASSEMBLY JUNE 4, 2013

SENATE BILL

No. 614

Introduced by Senator Wolk

February 22, 2013

An act to amend Section 21100 of the Water Code, relating to water. 56653 of the Government Code, and to add Section 99.3 to the Revenue and Taxation Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

SB 614, as amended, Wolk. ~~Irrigation districts; directors. Local government: jurisdictional changes: infrastructure financing.~~

Existing law, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, provides the authority and procedures for the initiation, conduct, and completion of changes of organization and reorganization of cities and districts. The act requires a local agency or school district that initiates proceedings for a change of local government organization or reorganization by submitting a resolution of application to a local agency formation commission to also submit a plan for providing services within the affected territory, as specified.

This bill would instead require, if a proposal for a change of organization or reorganization is submitted to a local commission, that the applicant submit a plan for providing services within the affected territory. The bill would, in the case of a change of organization that includes a disadvantaged, unincorporated community, authorize a local agency to include in its resolution of application a plan to improve or upgrade structures, roads, sewer or water facilities, or other

infrastructure to serve the disadvantaged, unincorporated community and would authorize the local commission to amend the proposal to include the formation of a special district, as specified.

Existing law requires a county auditor, in the case of a jurisdictional change caused by the formation of a district, to adjust the allocation of property tax revenue pursuant to the agreement of, for local agencies whose service area or service responsibility would be altered by the jurisdictional change, as specified.

This bill would authorize a local agency that files a petition for change of organization, and one or more other local agencies that will improve or upgrade structures to serve a disadvantaged, unincorporated community, to agree on a plan for financing services and structures that may provide that taxes, levied upon taxable property in the area included within the territory each year by or for the benefit of the local agency and one or more other local agencies that consent to the plan, be divided between the respective affected local agencies and the special district. This bill would require the plan to include a date on which that division of taxes shall terminate, and would allow the plan to provide for the issuance of indebtedness, as specified. The bill would prohibit any plan developed under these provisions from resulting in a reduction of property tax revenues to school entities.

~~Existing law, the Irrigation District Law, with certain exceptions, requires a director elected at a formation election to be a resident, landowner, and voter in the proposed district at the time of his or her nomination and a resident of the division that he or she represents during his or her entire term. Existing law, with certain exceptions, requires a director of the board of an irrigation district to be a voter and, unless exempted under certain circumstances, a landowner in the district and a resident of the division that the director represents at the time of his or her nomination or appointment and during the director's entire term.~~

~~This bill would eliminate the circumstances in which a director of the board of an irrigation district may be exempt from the landownership requirement.~~

~~Existing law requires a director on the board of an irrigation district that provides retail electricity for residents of the district to be a voter of the district and a resident of the division that the director represents at the time of his or her nomination or appointment and during his or her entire term. Existing law requires a director elected at a formation election to be a resident in the proposed district at the time of his or her~~

nomination and a resident of the division that he or she represents during his or her entire term.

~~This bill would apply these requirements to a director on the board of an irrigation district receiving a majority of its operating and nonoperating revenue from sources other than irrigation water sales, standby or availability charges, service type assessments, and property assessments, reported as specified.~~

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. It is the intent of the Legislature to provide*
2 *additional options for financing infrastructure that can be*
3 *incorporated into the approval of an annexation of a*
4 *disadvantaged, unincorporated community.*

5 *SEC. 2. Section 56653 of the Government Code is amended to*
6 *read:*

7 56653. (a) ~~Whenever a local agency or school district submits~~
8 ~~a resolution of application~~ *If a proposal* for a change of
9 organization or reorganization *is submitted* pursuant to this part,
10 ~~the local agency shall submit with the resolution of application~~
11 ~~applicant shall submit~~ a plan for providing services within the
12 affected territory.

13 (b) The plan for providing services shall include all of the
14 following information and any additional information required by
15 the commission or the executive officer:

16 (1) An enumeration and description of the services to be
17 extended to the affected territory.

18 (2) The level and range of those services.

19 (3) An indication of when those services can feasibly be
20 extended to the affected territory.

21 (4) An indication of any improvement or upgrading of structures,
22 roads, sewer or water facilities, or other conditions the local agency
23 would impose or require within the affected territory if the change
24 of organization or reorganization is completed.

25 (5) Information with respect to how those services will be
26 financed.

1 (c) Only in the case of a change of organization or
2 reorganization that includes a disadvantaged, unincorporated
3 community as defined in Section 56033.5:

4 (1) A local agency may include in its resolution of application
5 for change of organization or reorganization a plan adopted
6 pursuant to Section 99.3 of the Revenue and Taxation Code to
7 improve or upgrade structures, roads, sewer or water facilities,
8 or other infrastructure to serve the disadvantaged, unincorporated
9 community through the formation of a special district.

10 (2) If a local agency includes a plan pursuant to paragraph (1),
11 a commission may, subject to paragraph (3), amend the petition
12 for a change of organization or reorganization to include the
13 formation of a special district, including, but not limited to, a
14 community services district, municipal water district, or sanitary
15 district, to provide financing to improve or upgrade structures,
16 roads, sewer or water facilities, or other infrastructure to serve
17 the disadvantaged, unincorporated community, in conformity with
18 the requirements of the principal act of the district proposed to be
19 formed.

20 (3) Consistent with paragraph (3) of subdivision (a) of Section
21 56375, a commission may initiate the formation of a special district
22 only if a request to form a special district is made by a local agency
23 pursuant to paragraph (1).

24 SEC. 3. Section 99.3 is added to the Revenue and Taxation
25 Code, to read:

26 99.3. (a) The plan for financing services that is included in a
27 petition for change of organization or reorganization filed by a
28 local agency pursuant to Section 56653 of the Government Code
29 for a disadvantaged, unincorporated community may include a
30 plan adopted pursuant to this section.

31 (b) For purposes of this section, the following definitions apply:

32 (1) "Local agency" means a local agency as defined by
33 subdivision (a) of Section 95, and does not include any school
34 entity as defined in subdivision (f) of Section 95.

35 (2) "Affected local agency" means a local agency that has
36 adopted a resolution of its governing board consenting to the plan
37 developed pursuant to this section.

38 (3) "Territory" means all or part of the land that is included
39 in the petition for change of organization or reorganization filed
40 by the local agency.

1 (4) “Certificate of completion” is defined as provided in Section
2 56020.5 of the Government Code.

3 (5) “Disadvantaged, unincorporated community” is defined as
4 provided in Section 56033.5 of the Government Code.

5 (c) A local agency that files a petition for change of organization
6 or reorganization, and one or more other local agencies that will
7 improve or upgrade structures to serve a disadvantaged,
8 unincorporated community subject to that petition, may agree on
9 a plan for financing services and structures pursuant to this
10 section.

11 (d) The plan agreed upon pursuant to subdivision (c) may
12 contain a provision that taxes levied upon taxable property in the
13 area included within the territory each year by or for the benefit
14 of the local agency and one or more other local agencies that
15 consent to the plan, be divided as follows:

16 (1) That portion of the taxes that would have been produced by
17 the rate upon which the tax is levied each year by or for each of
18 the affected local agencies upon the total sum of the assessed value
19 of the taxable property in the territory as shown upon the
20 assessment roll used in connection with the taxation of the property
21 by the affected local agency, last equalized prior to the effective
22 date of the certification of completion, and that portion of taxes
23 by or for each school entity, shall be allocated to, and when
24 collected shall be paid to, the respective affected local agencies
25 and school entities as taxes by or for the affected local agencies
26 and school entities on all property are paid.

27 (2) That portion of the levied taxes each year specified in the
28 adopted infrastructure financing plan for the city and each affected
29 taxing entity that has agreed to participate pursuant to this section,
30 in excess of the amount specified in paragraph (1), shall be
31 allocated to, and when collected shall be paid into a special fund
32 of a special district formed pursuant to subdivision (c) of Section
33 56653 of the Government Code that will finance the infrastructure
34 improvements to serve the disadvantaged, unincorporated
35 community.

36 (e) A plan adopted pursuant to this section shall specify a date
37 upon which the division of taxes described in subdivision (d) shall
38 terminate.

39 (f) A plan adopted pursuant to this section may include a
40 provision for the issuance of indebtedness. Any indebtedness shall

1 *be issued in conformity with Articles 4.5 (commencing with Section*
2 *53506) and 5 (commencing with Section 53510) of Chapter 3 of*
3 *Part 1 of Division 2 of Title 5 of the Government Code or the*
4 *principal act of the special district.*

5 *(g) Any plan adopted under this section shall not result in a*
6 *reduction of property tax revenues allocated to any school entity*
7 *as defined in subdivision (f) of Section 95.*

8 ~~SECTION 1. Section 21100 of the Water Code is amended to~~
9 ~~read:~~

10 ~~21100. (a) Each director, except as provided in subdivision~~
11 ~~(e) or (d) or otherwise provided in this division, shall be a voter~~
12 ~~and a landowner in the district and a resident of the division that~~
13 ~~he or she represents at the time of his or her nomination or~~
14 ~~appointment and through his or her entire term, except in the case~~
15 ~~of the director elected at a formation election. A director elected~~
16 ~~at a formation election shall be a resident, landowner, and voter~~
17 ~~in the proposed district at the time of his or her nomination and a~~
18 ~~resident of the division that he or she represents during his or her~~
19 ~~entire term.~~

20 ~~(b) In any district having no more than 15 landowners who are~~
21 ~~voters in the district, a person need not be a voter but shall be~~
22 ~~qualified to be a director of the district if he or she is a landowner~~
23 ~~of the district at the time of his or her nomination or appointment~~
24 ~~and during his or her entire term.~~

25 ~~(c) In a district that provides retail electricity for residents of~~
26 ~~the district, each director, except as otherwise provided in this~~
27 ~~division, shall be a voter of the district and a resident of the division~~
28 ~~that he or she represents at the time of his or her nomination or~~
29 ~~appointment and during his or her entire term, except in the case~~
30 ~~of a director elected at a formation election. A director elected at~~
31 ~~a formation election shall be a resident in the proposed district at~~
32 ~~the time of his or her nomination and a resident of the division that~~
33 ~~he or she represents during his or her entire term.~~

34 ~~(d) In a district receiving a majority of its operating and~~
35 ~~nonoperating revenue from sources other than irrigation water~~
36 ~~sales, standby or availability charges, service type assessments,~~
37 ~~and property assessments, as reported in the most recent Special~~
38 ~~Districts Annual Report issued by the Controller, each director,~~
39 ~~except as otherwise provided in this division, shall be a voter of~~
40 ~~the district and a resident of the division that he or she represents~~

1 at the time of his or her nomination or appointment and during his
2 or her entire term, except in the case of a director elected at a
3 formation election. A director elected at a formation election shall
4 be a resident in the proposed district at the time of his or her
5 nomination and a resident of the division that he or she represents
6 during his or her entire term.

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